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TOP SECRET #1
* HISTORY
NATIONAL | ESTIMATES

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C O N T E N T

OFFICE OF NATIONAL ESTIMATES

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OFFICE OF NATIONAL ESTIMATES

BACKGROUND OF ITS ORIGIN

One of the major steps taken in the reorganization of CIA in the fall of 1950 was the creation of the Office of National Estimates. That Office was assigned as its mission the mandate of the Security Act of 1947 "to correlate and evaluate intelligence relating to the national security ... using where appropriate existing agencies and facilities...."^{1/}

From its inception the Agency had produced intelligence estimates in collaboration with the other intelligence organizations of the Federal Government. However, the quality of estimates as well as the procedures used had been criticized by various investigating groups.^{2/}

^{1/} National Security Act of 1947, TITLE I, SECTION 102 (d) (3). This is elaborated by the National Security Council in NSCID 1, para. 4 and NSCID 3, para. 1e, and further elaborated by the Director of Central Intelligence in DCID 3/5 (TAB A), and CIA Regulation

^{2/} The Dulles-Jackson-Correa Committee noted that "In the Central Intelligence Agency there has been confusion between the responsibility of producing coordinated national intelligence estimates and responsibility for miscellaneous research and reporting activities." Report dated 1 January 1949, page 81, para. (1).

The Hoover Commission noted that the "Director and his assistants have had to devote so large a portion of their time to administration that they have been unable to give sufficient time to analysis and evaluation." Report dated 28 December 1948, Chapter II, p. 49.

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Both the Hoover Commission and the Dulles-Jackson-Correa Committee recommended the creation of a small group of capable people to concentrate upon the production of national intelligence^{3/} estimates:

"The greatest need in CIA is the establishment at a high level of a small group of highly capable people, freed from administrative detail, to concentrate upon intelligence evaluation.... A small group of mature men of the highest talents, having full access to all information, might well be released completely from routine and set to thinking about intelligence only." Hoover Report, p. 49.

"There should be created in the Central Intelligence Agency a small Estimates Division which would draw upon and review the specialized intelligence product of the departmental agencies in order to prepare coordinated national intelligence estimates." Dulles-Jackson-Correa Report, p. 81.

The Office of National Estimates (ONE) has since late 1950 been the response of the CIA to the responsibilities imposed upon it by law and basic directives in the field of intelligence estimates. The way in which ONE is organized and operates reflects the recommendations made by the Hoover Commission and the Dulles Committee, the two major groups which have studied the problem of producing national intelligence estimates.

^{3/} National intelligence generally is defined by the NSC as "integrated departmental intelligence which covers the broad aspects of national policy and national security, is of concern to more than one department... and transcends the exclusive competence of a single department...." NSCID-3, par 1e.

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MISSION

The basic concept of ONE has been and continues to be that it has but one mission: to produce national intelligence estimates (NIE's) in close collaboration with the IAC agencies. All other considerations have been subordinated to this end. The NIE is viewed as the end-product of the entire intelligence process, a product designed to serve as essential intelligence backing for US policy and planning at the highest level of government. ^{4/}

ONE is the coordinator and an essential part of a joint or collective production mechanism. ONE sets the estimates process in motion, guides it through this process, and coordinates and reviews the estimate as it emerges until it is acted upon by the Intelligence Advisory Committee (IAC).

^{4/} The most current definition of the purpose to be served by NIE's is contained within the statement of the primary missions of the intelligence community set forth in NSC 162/2, para. 10 of which prescribes that the U.S. shall:

"Develop and maintain an intelligence system capable of:

- "(1) collecting and analyzing indications of hostile intentions that would give maximum prior warning of possible aggression or subversion in any area of the world;
- "(2) accurately evaluating the capabilities of foreign countries, friendly and neutral as well as enemy, to undertake military, political, economic, and subversive courses of action affecting U.S. security;
- "(3) forecasting potential foreign developments having a bearing on U.S. national security."

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The preparation of the draft estimate on the basis of contributions prepared elsewhere in the intelligence community is probably the single most significant function of ONE.

ORGANIZATION

To carry out this mission, ONE is organized into three major components: The Board of National Estimates, the Estimates Staff, and the Support Staff. In addition ONE affiliates the services of a number of consultants which meet periodically as a group. This basic organization of ONE has not changed during its almost four years of operation though minor changes have occurred to meet new problems and additional responsibilities.

The administrative organization of ONE is outlined in TAB C. The functional organization and the relationship of ONE relative to other components of the Federal intelligence community are outlined in TABS D and E.

BOARD OF NATIONAL ESTIMATES

The Board of National Estimates is the core of ONE. The Assistant Director for National Estimates, who is in charge of the office as a whole, is chairman of the Board. This Board consists of up to ten senior intelligence officers with long and wide variety of experience

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in intelligence and related fields. This membership is personally selected by the Director. Collectively they are in fact his Board.

Every effort is made to select these individuals from among outstanding scholars of national repute, experts in the fields of strategy, political science, economics and other social sciences, and individuals having the broadest of experience in the field of intelligence at the highest level. Every effort is made to keep a balance between the career intelligence officers and others. Invariably, for example, special competence has been brought to the Board by distinguished retired general officers and flag officers and by eminent professors on leave from their universities. (See TAB F for list of past and present Board members.)

The Board is responsible for the estimates produced. It is the Board which takes the leadership in deciding which estimates to produce in the case of self initiated estimates, and what the scope should be sometimes even in the case of estimates requested by the NSC or other high authority. The Board reviews terms of reference and draft estimates before they go to the IAC agencies. A member of the Board is chairman of the meeting of IAC representatives who meet with the Board during the interagency coordination process. And the Board decides when a draft is ready for IAC consideration. Both the Chairman

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of the Board and the Board member in charge of the particular estimate attend the IAC meeting when the estimate is under discussion and defend the draft on behalf of the interagency team which participated in its production.

ESTIMATES STAFF

The Estimates Staff consists of a group of intelligence officers selected for their competence to give substantive staff support to the Board of National Estimates. Broadly speaking, this support is of three kinds: (a) The preparation of draft estimates from all sources including contributions submitted by the intelligence organizations of The Department of State, The Joint Staff, The Army, The Navy, The Air Force, The Atomic Energy Commission, The Federal Bureau of Investigation, and offices within CIA; (b) Providing knowledge and judgment on trends and developments in areas the world over; and (c) Providing liaison with organizations with which ONE works (IAC Watch Committee, NSC Planning Board, The Joint Staff, [REDACTED]).

This professional Staff numbers some [REDACTED] intelligence officers in grades varying from GS-11 to GS-15. These are organized for administrative and operational convenience into four main areas (USSR/EE, Western, Near East, and Far East). Senior officers are detailed to supervise the work of those less senior. A Chief of the Estimates Staff generally

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coordinates staff assignments and activity and, in particular, determines when a draft estimate is ready for Board consideration.

During the past 18 months increasing demands have been made on the Staff for assistance in matters not directly related to the preparation of NIE's; viz., commenting on draft NSC papers, writing speeches for others, working on ad hoc policy committees, contributing to agency indoctrination and training classes, commenting on OCB papers, and assisting in the preparation of the Director for briefings to be given to the NSC.

Efforts are consistently made by ONE to permit Staff members to broaden their experiences. They are sent to the National War College and other senior service schools. They are rotated to other offices and to field assignments such as duty [redacted] [redacted]

[redacted] Within ONE periodic rotation between various staff sections is encouraged.

Direct staff contact with the military services is facilitated by having representative officers from the services on detail in Staff assignments.

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SUPPORT STAFF

The Support Staff includes those components which provide the administrative support for the Board of National Estimates and the Estimates Staff. The total number of support staff personnel has consistently been held to about ☐ generally in grades GS-5 to GS-7. This group includes research assistants, information control personnel, typists, stenographers, proof-readers and clerks.

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PANEL OF CONSULTANTS

Consultants are used to review selected estimates. This provides an extra-governmental check, particularly on key questions where little evidence is available and where an estimate is necessarily based largely on judgment.

The ONE panel of consultants consists of eminent individuals of national reputation in their respective fields. (See TAB G for list of past and present consultants to ONE.)

Selected members of the Board and Staff meet bi-monthly at Princeton University with a group of consultants drawn from the panel for two days of discussion on vital international issues. A member of the Board of National Estimates acts as chairman of the group.

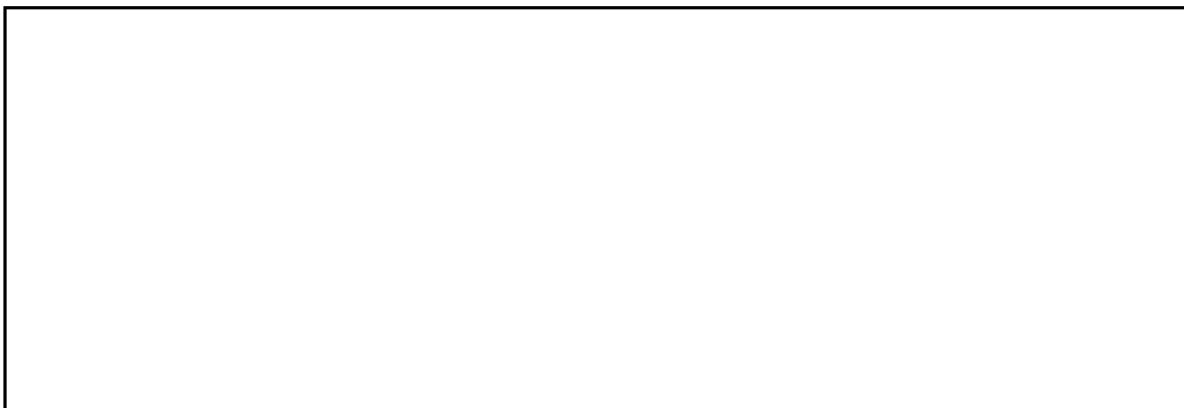
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A by-product benefit of these meetings with the consultant has been the chance to size up consultants as prospective members of the Board.

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NATIONAL ESTIMATES PROCESS

The production of national estimates through the collaboration of the several IAC agencies and CIA offices has entailed the development of a complex machinery which is still in the course of evolution.

The first step in the estimates process, the initiation of a national estimate, is based either on a request from the policy-makers or on the suggestion by an intelligence component that a situation is developing of which the policy makers should be apprised. Such proposals come from varied sources but principally from the White House,

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the NSC or the IAC agencies. The IAC or the DCI on its behalf must approve the scheduling of a national estimate. The chief criteria for IAC approval have been that it be timely i.e., that it be needed at the moment, and that it be national in scope.

The next step is the preparation by ONE of the Terms of Reference for the estimate. These define the subject to be covered, ask the important questions which must be answered, and ask these in such form as to draw out the necessary intelligence.

Various sections of the Terms of Reference, as agreed to by the IAC agencies, are apportioned to the various IAC agencies or to other CIA offices in accordance with their ability to contribute. The agencies are then expected to call upon all of their resources to produce a contribution by an agreed target date. These contributions are obviously of crucial importance, for they are the foundation upon which the estimate is based. They have been drawn not only from the regular IAC agencies (G-2, ONE, D/I-USAF, OIR, the FBI and the AEC's intelligence component), but from such other CIA offices as O/SI, O/RR and O/CI. Not infrequently various IAC subcommittees such as JAEIC, EIC, and SEC, submit coordinated contributions covering special aspects of the estimate.

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On receipt of these contributions ONE drafts the estimate. This function is assigned to a small task team under the guidance of the Board. The draft, when finished, is carefully revised, and often rewritten by the Board. In this phase ONE does more than merely piece together the agency contributions. It seeks to integrate them into a cohesive estimate, evaluating them on the basis of its own background, adding material from its own sources, and drawing the necessary estimative conclusions.

The next stage is that of full scale agency coordination. After the IAC agencies have had an opportunity to review the draft estimate, the Board meets with the IAC representatives to discuss the draft. It is here that interagency views are given a full hearing. All efforts are made to resolve differences short of watering down the estimate to a point where it would be meaningless. The Board then submits its estimate to the IAC for final review.

The IAC, composed of the heads of the principal military and civilian intelligence organizations under the chairmanship of the Director of Central Intelligence, is the forum where remaining major agency differences are, if possible, resolved. In practice, the IAC's review, together with the prior coordination at the agency representatives level, has insured that all NIE's are fully coordinated and has led to a remarkable freedom from agency dissent.

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The above process, with its full allowance for coordination, has proven inevitably lengthy and time-consuming. NIE's have normally taken from one to three months to produce. When necessary the process can be greatly accelerated, however, and ONE has prepared coordinated estimates on a "crash" basis within 24 hours when necessary.

See TAB K for a copy of a recent NIE. Development Files for three typical NIE's have been prepared and are available under separate cover.

PRODUCTION

The procedures described above indicate the interdependence of the various intelligence organizations of the federal government in producing NIE's. It is also obvious that this procedure is lengthy, complex, and at times downright cumbersome. But even if directives had not made it necessary for NIE's to be produced by collective effort, it is perhaps by that means alone that consumer acceptance of the product could be secured. This fact has gained increasing recognition among the participants and has contributed much to maintain the high degree of cooperation essential to the operation. There is general recognition of the fact that the intelligence community through

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the production of NIE's serves policy makers by removing from the area of controversy the need to argue about what situations exist and what trends are likely.

Based on requests from various sources and the intelligence community's own views of what should be produced, the national estimates process yields on the average about 50 odd NIE's* each year covering almost every geographical and functional field. (See TAB L for the Program of NIE's in force during the current quarter. See TAB M for a recapitulation by major areas of NIE's produced in the period 1 January - 30 July 1954. See TAB N for a chronological listing of national estimates produced from the inception of ONE through 31 December 1953.)

The bulk of the NIE's produced have dealt in one form or another with Communist capabilities and intentions, particularly in areas around the periphery of the USSR. Emphasis has been placed upon critical areas: The Far East, particularly Korea and Indochina; Iran, Egypt, Italy, East and West Germany.

* NOTE: The term NIE is used generically to cover also special estimates. These were designated SE's prior to 1954, and are now designated SNIE's. Main difference between an NIE and an SNIE is that the latter often contains special policy assumptions given by the NSC and receives more limited distribution.

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In the case of major annual exercises like the NIE on Bloc capabilities and probable courses of action, close contact with the NSC Planning Board has resulted in the scheduling of these estimates to be of maximum benefit for budget planning and program review.

By coordinating the NIE production program with the NSC as well as with the IAC agencies, requirements have been anticipated at least in part. By reserving production capability (30% to 40%) for requirements which cannot be anticipated when the program is formulated, the specific requirements can be and are met as soon as they become known.

In addition to formal estimates production, ONE has produced, jointly with OCI, the National Intelligence Digest. This Digest contains excerpts from NIE's as well as current and basic data. It is kept up to date by monthly revision.

By producing Staff Memoranda, the ONE Staff keeps the Director's Office and the Board informed on developments and trends which bear directly on existing estimates or the need for initiating new estimates. About 90 of these are produced annually. Typical examples of ONE memoranda are attached as TAB O.

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PROCEDURAL PROBLEMS

There are a number of organizational and procedural problems which are inherent in producing the kind of estimates we now produce in cooperation with the various producer and consumer agencies as they are now organized. The following will serve as example problems as well as illustrate recent attempts to cope with them.

One problem is, of course, how to make our estimates as useful as possible to the policy maker. Over the past four years we have developed to a high degree coordination among the member agencies of the intelligence community and the support gotten from them. We have learned that acceptance of intelligence by the NSC rests in large part on participation of the counterpart departmental intelligence organizations in the preparation of that intelligence.

Guidance as to what to produce and when to produce it is all-important. This guidance we have gotten to an unprecedented degree through CIA representation at the NSC and NSC Planning Board levels since the reorganization of the latter under President Eisenhower. Increasingly we have cases where the efforts of the intelligence community are integrated directly into the NSC policy paper (e.g. NSC 5418/1, 10 June 1954, on Spain).

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The ultimate question remains however: just how useful are NIE's to the consumer? Assuming proper scope and timely scheduling

25X1 the usefulness of the NIE depends on the detailed as well as the broad content of the estimate. The form in which intelligence is presented is theoretically at least a function of the kind of decisions faced in turn by the policy planner, the policy maker, and the operating executive carrying out programs which implement the policy decisions. Only the closest of collaboration between those who will use the estimate and those who make the estimate can bring us closer to a solution of this problem. (A corollary means of improving the usefulness of intelligence is to ensure that information of intelligence value which comes through operational channels is made available to the intelligence community.)

Another problem is: how to improve the efficiency of the existing NIE coordination mechanism. Here very practical considerations govern. For example, the several and widely separated buildings in which the participating CIA activities alone are located creates delays resulting from irreducible time intervals required for exchanging papers and convening meetings. Or the differing and often inadequate arrangements within each contributing agency for reproducing drafts and staffing them through higher echelons may cause delay. Again, competing requirements thrown

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upon the same departmental estimators create difficulties at times. When an ONE meeting on an estimate requires the presence of representatives from say three CIA offices and five agencies, and one agency cannot send a representative because of conflict, the meeting must be postponed. Other difficulties arise from the frequency in turn over of the military personnel sent to represent the Services at coordination meetings.

A third major problem is: how to ensure that the DCI, speaking as estimator, current reporter, and clandestine activities chief will through his various utterances and publications express views not inconsistent with each other. ONE, dealing with estimates, should not estimate trends without full knowledge of what factors exist in the situation that are subject to influence or control by the Clandestine Services. The steps we take to avoid this are outlined in a staff study approved by the DCI on 11 May 1953 (see TAB P).

The appearance in a CIA current intelligence publication of a CIA analysis of an important development, which analysis might differ appreciably from what had just appeared on the subject in a coordinated NIE, might confuse our readers. The effort to minimize the chances of this happening were formalized in a memorandum from the DD/I to AD/NE on 31 July 1953 (see TAB Q).

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Similar precautions have been taken in assisting the DCI to prepare for the weekly presentations he makes before the NSC in a memorandum from the DD/I to AD/CI and AD/NE dated 29 June 1954 (see TAB R).

The fourth problem is one of recruiting and retaining the services of top people for the Board of National Estimates. Those who would make ideal Board members are usually already heavily engaged in important academic, private, or government work. If the nation were in peril, they would drop what they are doing and be glad to serve. In these times, crises have come to be accepted as normal and therefore of insufficient urgency to compel a favorable response to a call to serve on the Board.

RESULTANT CHARACTERISTICS OF THE NIE

Based on almost four years of operations ONE has concluded that the present system produces estimates that have definite characteristics, some good, some bad.

On the plus side, the virtues of the system can be summarized as follows:

- a. The system does produce a single best agreed estimate based on all the intelligence which cooperations can bring together.

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- b. The estimates produced are concise and pitched to a single audience.
- g. The estimates are produced with advance guidance by the consumer, guidance both as to scope desired and as to time when most needed.
- d. Group discussion lessens risks of having intelligence become the apologist if not the advocate of policy.
- e. The process can act speedily under crisis conditions. Some estimates have been completed with 12 to 18 hours.
- f. Those participating in the process are educated by the several evaluations made of the same range of evidence.
- g. The process yields a good gauge of the state of knowledge on the \$64 questions. This in turn serves as a springboard for rationalized collection effort.

On the negative side, two main vices of the system are clearly identifiable: The efforts made to strive for agreement may result in no more than the production of top secret platitudes. And, despite the burst of speed possible in the case of "crash" estimates the pace of the normal estimate is slow - 6 to 8 weeks.

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GUIDANCE TO RESEARCH AND COLLECTION ACTIVITIES

Estimators have an obligation to give guidance to the research and collection activities whose outputs are the foundation of the estimates.

Short term specific guidance is given by means of the estimates program and the terms of reference drawn up for each estimate produced.

Intermediate guidance is provided by a post mortem procedure involving the review of estimates after publication to ascertain what steps can be taken to improve the next estimate on the same subject. Initially, post mortems were attempted on individual selected estimates. When it became apparent that this resulted in unproductive duplication, the IAC decided to try a periodic review of estimates. At present this review is undertaken semi-annually. (See TAB 8 for the last statement of findings.)

Long range basic guidance requires the formulation of national intelligence objectives and repeated efforts have been made to develop some that would be meaningful. At present, under IAC direction, the Board of National Estimates is working with the IAC agencies on a revision of the approved priority list, [REDACTED]

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LIST OF SUPPORTING DOCUMENTS

TAB A	Director of Central Intelligence Directive No. 3/5, "Production of National Intelligence Estimates".
TAB B	Statement of Mission of the Office of National Estimates.
TAB C	Chart of Administrative Organization of the Office of National Estimates.
TAB D	Chart of Position of Board of National Estimates in the Intelligence Community.
TAB E	Chart of Functional Organization of the Intel- ligence Community for the Production of National Intelligence Estimates.
TAB F	Membership of the Board of National Estimates.
TAB G	List of Consultants to the Board of National Estimates.
TAB H	Summary Operating Costs of ONE for FY 1952, FY 1953, and FY 1954.
TAB I	ONE Personnel Breakdown by Grades and Assignments.
TAB J	Biographic Sketches on Key ONE Personnel.
TAB K	Sample National Intelligence Estimate: NIE 63-5-54, "Post-Geneva Outlook in Indochina".
TAB L	Program of NIE's for Period 1 July 1954 to 30 June 1955. Typical ONE Schedule for the Day and Status of Estimates in Process. Procedure for Revising Estimates.
TAB M	List of NIE's Produced from 1 January 1954 to 30 July 1954.
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TAB O	Illustrative Board and Staff Memoranda Produced in ONE.
TAB P	Inter-Office Coordination: With the Clandestine Services.
TAB Q	Inter-Office Coordination: With the Office of Current Intelligence - Publications.
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TAB S	Post Mortem of 1953 Production.
TAB T	ONE Action on National Intelligence Objectives.

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SECURITY INFORMATION

DIRECTOR OF CENTRAL INTELLIGENCE DIRECTIVE 3/5

PRODUCTION OF NATIONAL INTELLIGENCE ESTIMATES
(9/1/53; SECRET)

Pursuant to the provisions of paragraph 1e, NSCID No. 3, paragraph 4, NSCID No. 1, and paragraph 2, NSCID No. 4, and in order to facilitate departmental participation in the production of national intelligence estimates, the following operating procedures are established:

1. Programming

Annually, by 1 January, the Board of National Estimates, Central Intelligence Agency, will present to the Intelligence Advisory Committee (IAC) for approval a program of National Intelligence Estimates and Special Estimates (NIE's and SE's) for production during the following year. In preparing this program, the Board will seek the guidance of the NSC Planning Board, will consult with the Economic Intelligence Committee, the Scientific Estimates Committee, the Joint Atomic Energy Intelligence Committee, and other appropriate committees of the IAC, and will coordinate with the IAC agencies. This program will be reviewed quarterly by the Board of National Estimates in coordination with the IAC agencies; changes will be submitted for IAC approval.

2. Initiation

Requests for estimates other than those programmed will be transmitted to the IAC via the Board of National Estimates. The Board will take such action as is indicated by the circumstances prior to transmitting the request to the IAC for action; e.g., comment, initiate immediate action subject to subsequent IAC ratification, or attach draft terms of reference to its recommendation that the estimate be approved for production.

3. Normal Preparation

Estimates will normally be prepared in four stages:

a. Terms of Reference and Contributions — The Board, after consultation with the IAC agencies, will circulate terms of reference indicating the scope of the estimate and the intelligence material needed. The Agencies will then prepare contributions and submit them to the Board.

b. Drafting and Board Consideration — After considering the contributions, and such consultation with any contributing agency which may be appropriate, the Board will prepare a draft.

c. Consideration by Representatives of the IAC Agencies — Representatives of the IAC agencies will meet with the Board to review, comment on and revise the draft as necessary.

d. IAC Consideration — The final draft will then be submitted to the IAC for approval.

4. Preparation under Exceptional Circumstances

Any of the steps listed in 3a, b, and c above may be omitted under exceptional or unusually urgent circumstances.

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5. *Dissents*

Any agency may dissent to any feature of an estimate. Such dissents identify the dissenter and will state the dissenter's position on the matter.

6. *Publication and Dissemination*

Finished estimates will be published by CIA and disseminated by the DCI according to established procedures. Published estimates will carry a note indicating the extent of coordination within the intelligence community.

7. DCID's 3/1 and 3/2* are herewith rescinded.

ALLEN W. DULLES
Director of Central Intelligence

* *Note:* DCID 3/1, "Standard Operating Procedures for Departmental Participation in the Production and Coordination of National Intelligence," was issued 8 July 1948; DCID 3/2, "Policy Governing Departmental Concurrences in National Intelligence Reports and Estimates," was issued 13 September 1948.

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ORGANIZATION
10 August 1954

OFFICE OF NATIONAL ESTIMATES

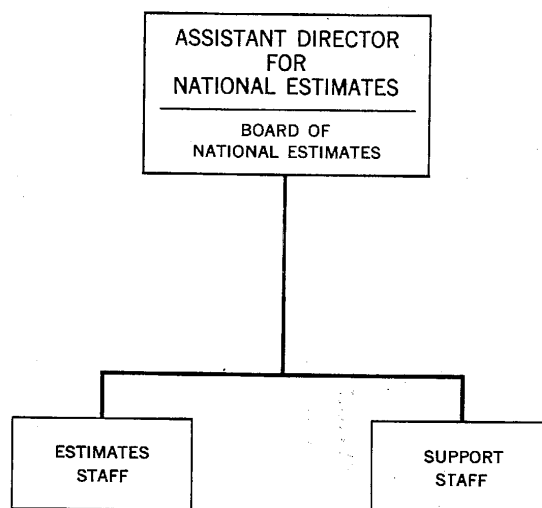
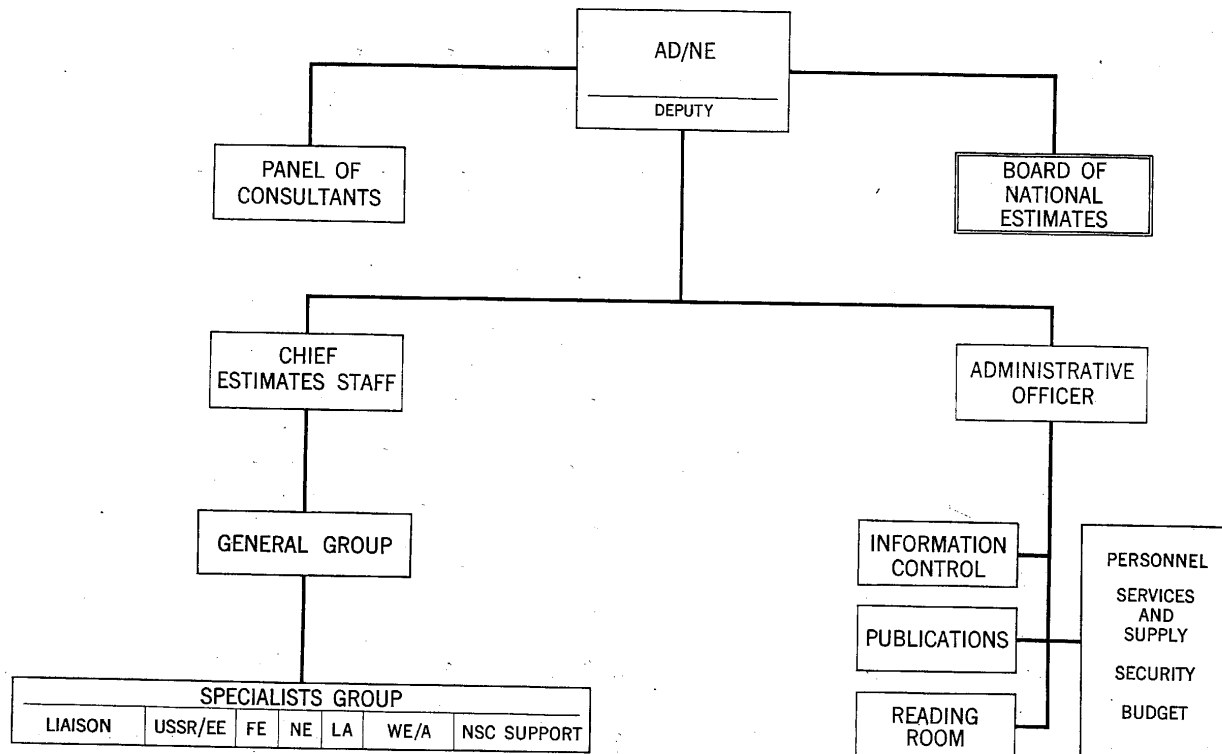


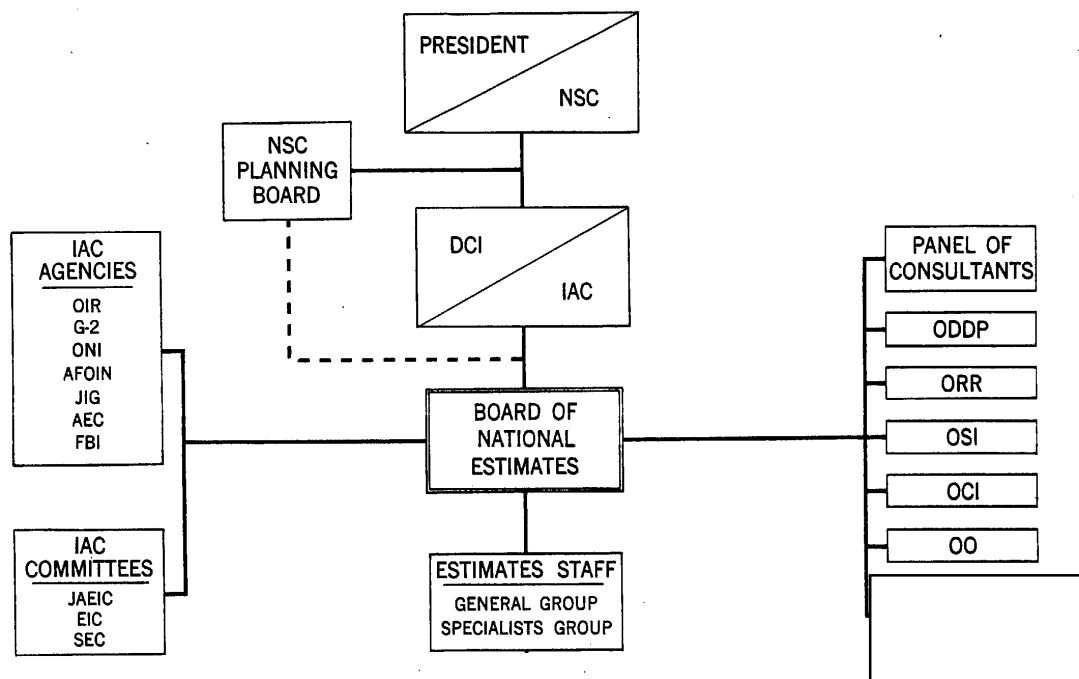
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NATIONAL INTELLIGENCE ESTIMATES
ADMINISTRATIVE ORGANIZATION



NATIONAL INTELLIGENCE ESTIMATES FUNCTIONAL ORGANIZATION



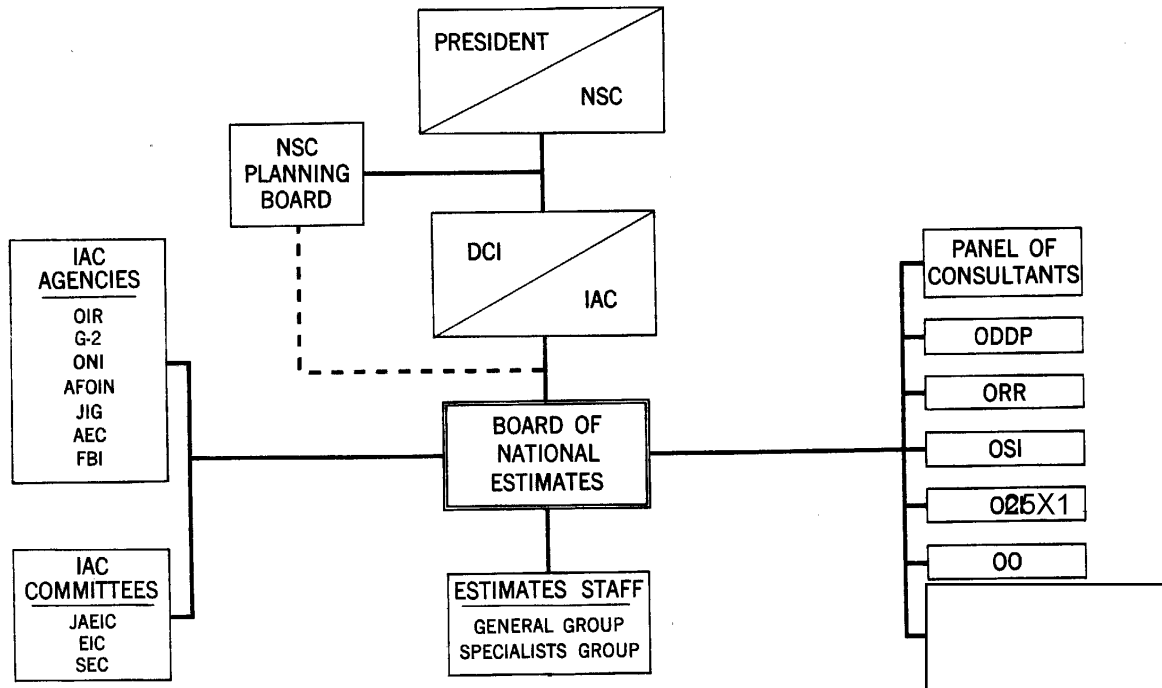
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NATIONAL INTELLIGENCE ESTIMATES FUNCTIONAL ORGANIZATION



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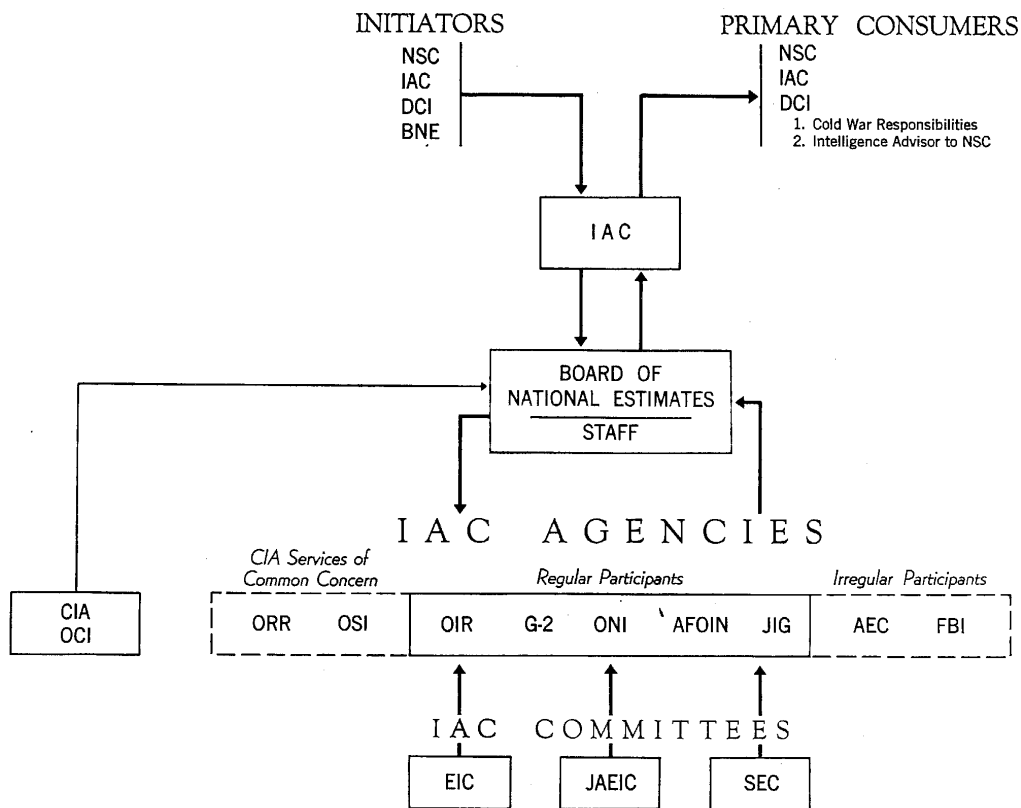
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NATIONAL INTELLIGENCE ESTIMATE

NIE 63-5-54

POST-GENEVA OUTLOOK IN INDOCHINA

Submitted by the

DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the

INTELLIGENCE ADVISORY COMMITTEE

on 3 August 1954. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, G-2, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; the Deputy Director for Intelligence, The Joint Staff. The Director of Intelligence, AEC, and the Assistant to the Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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CENTRAL INTELLIGENCE AGENCY

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POST-GENEVA OUTLOOK IN INDOCHINA

THE PROBLEM

To assess the probable outlook in Indochina in the light of the agreements reached at the Geneva conference.

CONCLUSIONS

1. The signing of the agreements at Geneva has accorded international recognition to Communist military and political power in Indochina and has given that power a defined geographic base.
2. We believe that the Communists will not give up their objective of securing control of all Indochina but will, without violating the armistice to the extent of launching an armed invasion to the south or west, pursue their objective by political, psychological, and paramilitary means.
3. We believe the Communists will consolidate control over North Vietnam with little difficulty. Present indications are that the Viet Minh will pursue a moderate political program, which together with its strong military posture, will be calculated to make that regime appeal to the nationalist feelings of the Vietnamese population generally. It is possible, however, that the Viet Minh may find it desirable or necessary to adopt a strongly repressive domestic program which would diminish its appeal in South Vietnam. In any event, from its new territorial base, the Viet Minh will intensify Communist activities throughout Indochina.
4. Although it is possible that the French and Vietnamese, even with firm support from the US and other powers, may be able to establish a strong regime in South Vietnam, we believe that the chances for this development are poor and, moreover, that the situation is more likely to continue to deteriorate progressively over the next year. It is even possible that, at some time during the next two years, the South Vietnam Government could be taken over by elements that would seek unification with the North even at the expense of Communist domination. If the scheduled national elections are held in July 1956, and if the Viet Minh does not prejudice its political prospects, the Viet Minh will almost certainly win.
5. The ability of the Laotian Government to retain control in Laos will depend upon developments in South Vietnam and upon the receipt of French military and other assistance. Even with such assistance, however, Laos will be faced by a growing Communist threat which might result in the overthrow of the present government through subversion or elections, and in any case would be greatly intensified if all

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Vietnam were to fall under Communist control.

6. We believe that if adequate outside assistance is made available, the Cambodian Government will probably increase its effectiveness and the effective-

ness of its internal security forces and will be able to suppress Communist guerrilla activity and to counter Communist political activity. The situation in Cambodia would probably deteriorate, however, if a Communist government should emerge in Laos or South Vietnam.

DISCUSSION

I. THE CURRENT SITUATION

General

7. The signing of the agreements at Geneva has ended large-scale warfare in Indochina and has affirmed the independence of Laos and Cambodia. It has, on the other hand, accorded international recognition to Communist military and political power in Indochina and has given that power a defined geographic base. Finally, the agreements have dealt a blow to the prestige of the Western Powers and particularly of France.

North Vietnam

8. The Viet Minh has emerged from Geneva with international recognition and with greatly enhanced power and prestige in Indochina. The Viet Minh leaders, while admitting that their ultimate objectives may have been temporarily compromised "for the sake of peace," are acclaiming the agreements as denoting a major victory and ensuring the eventual reunification of all Vietnam under Communist aegis. Ho Chi-Minh is generally regarded as the man who liberated Tonkin from 70 years of French rule. The Viet Minh has initiated a program to absorb presently French-controlled areas in the Tonkin Delta.

South Vietnam

9. In South Vietnam, the agreements and the fact of the imposed partition have engendered an atmosphere of frustration and disillusionment, which has been compounded by widespread uncertainty as to French and US intentions. The present political leadership appears to retain the passive support of the

more important nationalist organizations and individuals. However, the government's already weak administrative base has been further dislocated, and it has only uncertain assurances of continued outside military and financial support. Mutual jealousies and a lack of a single policy continue to divide Vietnamese politicians. Moreover, certain pro-French elements are seeking the overthrow of the Dien government with the apparent support of French colonial interests anxious to retain their control.

10. The North Vietnam population is somewhat greater than the South Vietnam population and, in any event, the loss of the Tonkin Delta has deprived South Vietnam of the most energetic and nationalist segment of the population. Although South Vietnam has the capability for agricultural self-sufficiency, the principal industrial establishments and fuel and mineral resources are located in North Vietnam.

11. Provided that the terms of the cease-fire agreement are observed, the combined French-Vietnamese forces in South Vietnam now have the capability of maintaining internal security.

Laos

12. The relatively stable internal situation in Laos, which in the past has depended upon French support, remains essentially unchanged. The Laotian Army is poorly armed and trained and, without the support of French forces and advisers, does not have the capability to maintain internal security. Moreover, "Pathet Lao" Communists continue to have *de facto* control of two northern

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provinces adjoining the Communist-controlled areas of Northern Vietnam. Furthermore, the Geneva agreements give members of the "Pathet Lao" movement freedom of political action throughout Laos.

Cambodia

13. The internal Cambodian situation, except for sharp political rivalries among leading Cambodians, is at present relatively stable. Non-Communist dissidence appears to have abated and the principal dissident leader, Son Ngoc Thanh, no longer poses any real threat to the government. The King retains widespread popular support for having obtained a large degree of effective independence from the French and for having safeguarded Cambodia's integrity at Geneva. Although the Communists are permitted freedom of political action in Cambodia, they have only a minimum appeal. The Cambodian forces, although somewhat weakened by the withdrawal of French forces, have the capability of dealing with current Communist subversive action.

II. OUTLOOK IN INDOCHINA

General Considerations

14. The Geneva agreements, although precise and detailed concerning the time and place of troop redeployments and related matters, are imprecise about matters pertaining to future military aid and training. Moreover, the agreements are vague with respect to political matters. Details on the implementation of national elections are left for the interested parties to determine. Except for such influence as may be exerted by the presence of supervisory teams from India, Canada, and Poland, there is no provision for forcing the parties concerned to implement or adhere to the agreements.

15. The course of future developments will be determined less by the Geneva agreements than by the relative capabilities and actions of the Communist and non-Communist entities in Indochina, and of interested outside powers.

16. *Communist policy.* Communist willingness to reach agreement for an armistice in

Indochina, at a time when prolongation of the conflict could have produced a steadily deteriorating situation in Indochina, was probably derived in substantial part from the Communist estimate that: (a) an effort to win a total military victory in Indochina might precipitate US military intervention, and (b) the objective of gaining political control over all Indochina could be achieved as a result of the armistice agreement. The Communists also apparently believed that an attitude of "reasonableness" and the acceptance of an armistice in Indochina would contribute to the realization of their objective to undermine western efforts to develop an effective military coalition. They probably consider, therefore, that a deliberate resumption of large-scale military operations from their zone in the north would negate the political and psychological advantages the Communists have gained by negotiating a settlement and could involve grave risk of expanded war.

17. In the light of these considerations, we believe that the broad outlines of Communist policy in Indochina will be to: (a) refrain from deliberately taking major military action to break the armistice agreement while seeking to gain every advantage in the implementation of the agreements; (b) consolidate the Communist political, military, and economic position in North Vietnam; (c) conduct intensive political warfare against non-Communist Indochinese governments and people; (d) work for the ultimate removal of all Western influence, particularly French and US, from Indochina; and (e) emphasize and exploit issues in Indochina which will create and intensify divisions among non-Communist countries. In sum, we believe that the Communists will not give up their objective of securing control of all Indochina but will, without violating the armistice to the extent of launching an armed invasion to the south or west, pursue their objective by political, psychological, and paramilitary means.

18. *French policy.* It is impossible at this time to predict even the broad outlines of French policy in Indochina. The following appear to be the main alternatives:

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a. Grant of complete political independence to the Indochina states, accompanied by an attempt to organize strong political regimes in those states. We believe that the French might be persuaded to adopt this policy by strong US-UK pressure, together with economic and military assistance to France and a guarantee of the defense of the free areas of Indochina against further Communist military attack.

b. Continuation of French Union ties with the non-Communist Indochinese states, with indirect French political controls and French economic domination. We believe that French policy may proceed along these lines if the French estimate that: (1) the Communists will follow a conciliatory policy in Indochina; (2) the non-Communist leadership will offer very little difficulty; and (3) the US and UK will not exert pressure toward a grant of full independence to the Indochinese states.

c. Some form of agreement with the Viet Minh providing for expediting elections and achieving a unification of Vietnam. The French might be inclined to follow this line if the Viet Minh held out promises of the maintenance of French economic and cultural interests, and of the continuance of some form of association of the unified Vietnamese state with France.

d. Withdrawal of all French military, administrative, and economic support from Indochina. We believe that this would occur only in the event of a hopeless deterioration of political, military, and economic conditions in the area.

19. *International policies.* The political survival of the Indochinese states is endangered not only by the threat of external Communist attack and internal Communist subversion, but also by their own inherent inexperience, immaturity, and weakness. We believe that without outside support the Indochinese states cannot become strong enough to withstand Communist pressures. The course of developments in Indochina will be largely influenced by the attitudes and policies of other powers. In general, we believe that in the absence of firm support from the US, the non-

Communist states of Indochina cannot long remain non-Communist. If they are given opportunity, guidance, and material help in building national states, they may be able to attain viability. We believe that the energy and resourcefulness necessary for this achievement will not arise spontaneously among the non-Communist Indochinese but will have to be sponsored and nurtured from without.

Outlook in Vietnam

20. *Outlook in North Vietnam.* Communist activities in North Vietnam will be concentrated upon consolidation of Communist control, with their efforts in this respect probably appearing moderate at the outset. The Viet Minh will probably emphasize social and economic reforms and the participation of all political, economic, and religious groups in state activity. At the same time, Viet Minh cadres will establish themselves throughout the Delta, will begin the process of neutralizing all effective opposition groups, will undertake the usual Communist program of popular indoctrination, and will prepare for the election scheduled in July 1956. We believe the Communists will be able to achieve the consolidation of North Vietnam with little difficulty.

21. We believe that the Viet Minh will continue to develop their armed forces. Although the armistice provisions forbid the Viet Minh from increasing their supply of arms, we believe they will covertly strengthen and possibly expand their armed forces with Chinese Communist aid. Viet Minh forces will almost certainly continue to receive training in China.

22. Thus established firmly in North Vietnam, the Viet Minh regime will probably retain and may increase its symbolic attraction as the base of Vietnamese national independence. Its methods of consolidating control will probably continue for some time to be moderate, and, its internal program together with its military power, will be calculated to make the regime attractive to the remaining peoples of Indochina. It is possible, however, that the Viet Minh may find it desirable or necessary

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to adopt a strongly repressive domestic program which would prejudice its psychological appeal and political prospects. Barring such repressive Viet Minh policies, the unification issue will continue to be exploited to Communist advantage throughout Vietnam. Meanwhile, the Viet Minh regime will continue to strengthen the Communist underground apparatus in South Vietnam, Laos, and Cambodia, aware that significant Communist gains in any one of these countries will strengthen the Communist movement in the others. It will seek to develop strong overt Communist political groups where possible and will generally use all available means towards the eventual unification of the country under Communist control.

23. *Outlook in South Vietnam.* We believe that the Viet Minh will seek to retain sizeable military and political assets in South Vietnam. Although the agreements provide for the removal to the north of all Viet Minh forces, many of the regular and irregular Viet Minh soldiers now in the south are natives of the area, and large numbers of them will probably cache their arms and remain in South Vietnam. In addition, Viet Minh administrative cadres have been in firm control of several large areas in central and south Vietnam for several years. These cadres will probably remain in place. French and Vietnamese efforts to deal with "stay-behind" military and administrative units and personnel will be greatly hampered by armistice provisions guaranteeing the security of pre-armistice dissidents from reprisals.

24. The severe problem of establishing and maintaining security in South Vietnam will probably be increased by certain provisions of the Geneva agreements which prohibit the import of arms and military equipment, except as replacements, and the introduction of additional foreign military personnel, the establishment of new military bases, and military alliances. These provisions limit the development of a Vietnamese national army to such numbers as may be equipped by stocks evacuated from Tonkin, plus stocks now held in Saigon. However, in the last analysis,

Vietnamese security will be determined by the degree of French protection and assistance in the development of a national army, the energy with which the Vietnamese themselves attack the problem, and by the will of the non-Communist powers to provide South Vietnam with effective guarantees.

25. In addition to the activities of stay-behind military and administrative groups, the Viet Minh will make a major effort to discredit any South Vietnam administration, and to exacerbate French-Vietnamese relations, and appeal to the feeling for national unification which will almost certainly continue strong among the South Vietnamese population. The Communist goal will be to cause the collapse of any non-Communist efforts to stabilize the situation in South Vietnam, and thus to leave North Vietnam the only visible foundation on which to re-establish Vietnamese unity. French and anti-Communist Vietnamese efforts to counter the Viet Minh unity appeal and Communist subversive activities will be complicated at the outset by the strong resentment of Vietnamese nationalists over the partitioning of Vietnam and the abandoning of Tonkin to Communist control. It may be difficult to convince many Vietnamese troops, political leaders, and administrative personnel in Tonkin to go south, let alone to assist actively in the development of an effective administration in South Vietnam.

26. Developments in South Vietnam will also depend in large part on French courses of action. Prospects for stability in South Vietnam would be considerably enhanced if the French acted swiftly to insure Vietnam full independence and to encourage strong nationalist leadership. If this were done, anti-French nationalist activity might be lessened. With French military and economic assistance — backed by US aid — the Vietnamese could proceed to develop gradually an effective security force, local government organization, and a long-range program for economic and social reform. Nevertheless, it will be very difficult for the French to furnish the degree of assistance which will be required without at the same time reviving anti-French feeling to the point of endangering the whole effort.

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27. On the basis of the evidence we have at this early date, however, we believe that a favorable development of the situation in South Vietnam is unlikely. Unless Mendes-France is able to overcome the force of French traditional interests and emotions which have in the past governed the implementation of policy in Indochina, we do not believe there will be the dramatic transformation in French policy necessary to win the active loyalty and support of the local population for a South Vietnam Government. At the present time, it appears more likely that the situation will deteriorate in South Vietnam and that the withdrawal from Tonkin will involve recriminations, distrust, and possibly violence. There will be delays in the development of effective administration in the south; the French military will probably be forced to retain a large measure of control for reasons of "security"; and efforts by French colonial interests to develop a puppet Cochin-China state will persist. It is even possible that at some point during the next two years the South Vietnam Government could be taken over by elements that would seek unification with the Viet Minh in the North even at the expense of Communist domination. Even if a stable government could be established, we estimate that the national elections scheduled for July 1956 would almost certainly give the Viet Minh control of South Vietnam.

28. In the interim, Viet Minh propaganda will find ample opportunities to influence Vietnamese attitudes. Within a year, Viet Minh stay-behind units will probably be active politically, and possibly involved in open guerrilla fighting. In these circumstances, the French will probably be able to maintain their "presence" in South Vietnam through mid-1956, but their influence will probably become increasingly restricted to major cities and the perimeters of military installations and bases. The French might be willing to resolve this situation by an arrangement with the Communists which seemed to offer a chance of saving some remnant of the French economic and cultural position in Vietnam. Such an arrangement might include an agreement to hold early elections, even with the virtual certainty of Viet Minh victory. Only if such an

arrangement proved impossible, and the situation deteriorated to the point of hopelessness, would the French withdraw completely from the country.

Outlook in Laos

29. Providing the French maintain the 5,000 troops in Laos which the Geneva agreements permit them, and continue to develop the Laotian forces, the Royal Laotian Government should be able to improve its security forces and, excluding the two northern provinces, to deal with isolated, small-scale Communist guerrilla actions. Also, providing the Laotians continue to receive French and US technical and financial assistance, they probably will be able to maintain an adequate government administration. There is nothing in the Geneva agreements to prevent Laos from becoming a member of a defense arrangement so long as no foreign troops other than specified French personnel are based in Laos.

30. However, if the French for any reason decide not to maintain their troops nor to continue military training in Laos, it will be impossible for the non-Communist powers to provide effective aid to the Laotians without breaching the Geneva agreement. At the same time, Laos will be faced with a growing Communist threat, and the freedom of political action permitted members of the Pathet Lao movement, strengthened by support from the Viet Minh, may result in the overthrow of the present government through subversion or elections. Finally, further successes for the Viet Minh in Vietnam will have an immediate adverse effect on the situation in Laos.

Outlook in Cambodia

31. We believe that the Communists, in withdrawing organized units from Cambodia, will leave behind organizers, guerrilla leaders, and weapons. Initially, the Communists will probably minimize guerrilla action in order to concentrate on building their political potential in Cambodia.

32. Providing the withdrawal of the Communists is substantially in accord with the agree-

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ment, the development of stability in Cambodia during the next year or so will depend largely on two interrelated factors: (a) the ability of the Cambodians to develop effective government and internal security forces; and (b) the ability of the Cambodians to obtain external technical and financial assistance. There is no prohibition in the Geneva agreements against Cambodia's obtaining outside assistance to develop its defense forces or on joining a defensive alliance, providing the latter is in consonance with the UN Charter and that no foreign troops are based in Cambodia in the absence of a threat to Cambodian se-

curity. If adequate outside assistance is made available, the Cambodians will probably increase the effectiveness both of their government and their internal security forces, and will be able to suppress Communist guerrilla activity and to counter Communist political activity. The efforts of the Cambodians to strengthen their position would probably be more energetic if their independence were guaranteed by some regional defense arrangement. The situation in Cambodia would deteriorate gravely, however, if a Communist government should emerge in Laos or South Vietnam.

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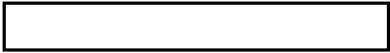
Approved For Release 2005/03/16 : CIA-RDP79R00971A000100010001-4
13 July 1954

INTELLIGENCE ADVISORY COMMITTEE

**PROGRAM OF NATIONAL INTELLIGENCE ESTIMATES
FOR PERIOD 1 JULY 1954 TO 30 JUNE 1955**

1. On 13 July the IAC approved the attached quarterly revision of the program of NIEs as a basis for scheduling estimates under established procedures (IAC-M-159).

2. A list of estimates completed during the second quarter of 1954 (Tab A) and a progress report of NIEs in process (Tab B) are attached for information.


Acting Secretary

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IAC-D-1/8
13 July 1954

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Tab B to

Approved For Release 2005/03/16 : CIA-RDP79R00971A000100010001-4
10061001/8
13 July 1954

PROGRESS REPORT ON
NATIONAL INTELLIGENCE ESTIMATES IN PROCESS

A. Before the IAC Representatives

1. National Intelligence Objectives

A draft was circulated to the IAC agencies on 14 May. The IAC representatives met on 7 June. Further consideration deferred pending submission of elements of an alternative solution by service representatives.

2. NIE 11-4-54: Soviet Capabilities and Probable Soviet Courses of Action through Mid-1959

The IAC representatives will meet on the Board draft at 10:00 Wednesday, 21 July.

B. Awaiting Action by the Office of National Estimates

1. NIE 12-54: Probable Developments in the European Satellites as They Affect Bloc Capabilities through Mid-1956

Staff draft scheduled for circulation to the Board on 14 July.

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3. NIE 80-54: The Caribbean Republic

Staff draft being prepared for the Board.

C. Awaiting Departmental Contributions

1. NIE 11-6-54: Soviet Capabilities and Probable Progress in the Field of Guided Missiles

The IAC representatives agreed on draft terms of reference on 23 April. See terms of reference for production schedule.

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IAC-D-1/8
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Approved For Release 2005/03/16 : CIA-RDP79R00971A000100010001-4
Tab B to
IAC-D-1/8
13 July 1954

Contribution of Ad Hoc Military Group on Part One-A.1 and 2 was received on 21 May. Board, Consultants, and Ad Hoc Military group met on 2 June and reviewed the contribution to Part One.

2. NIE 25-54: Probable Developments in Austria

The IAC representatives approved terms of reference on 14 June. Contributions are due 6 August.

3. NIE 36-54: Probable Developments in the Arab States

The IAC representatives agreed on terms of reference on 26 January. Tentative deadline for contributions was set for 1 July. On 31 March, ONE notified all agencies that the deadline for contributions has been extended to 1 August.

IAC-D-1/8
13 July 1954

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CENTRAL INTELLIGENCE AGENCY

11 July 1951

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MEMORANDUM FOR: [REDACTED]

Colonel W. H. Kennig, USA (G-2)
Captain B. E. Wiggin, USN (ONI)
Colonel William S. Boyd, USAF (AFOIN-2B2)
Captain Ray Malpass, USN (JIG)

SUBJECT : Revision of Existing Estimates

1. Enclosed for your information is an O/NE Staff memorandum on possible new procedures for terms of reference on estimates needing revision. The Board has considered it and felt it would be of interest to you as we approach a period when a number of basic estimates are scheduled for revision.

2. We envisage this memorandum as a first step toward devising a means of revising existing basic estimates without calling for the same research in depth which was necessary for the initial estimate.

3. We envisage that the practical implementation of these general procedures will have to be worked out slowly and will probably vary with each estimate. We are forwarding the attached memorandum to you as background for discussing the terms of reference for the upcoming [REDACTED] papers, on which we are trying variations on the approach outlined in the attached memorandum.

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[REDACTED]
Acting Deputy Assistant Director
National Estimates

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Distribution "B"

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CENTRAL INTELLIGENCE AGENCY

14 July 1954

SUBJECT: Proposed Procedure for Estimates Revision

1. The following is a suggestion for a new procedure to meet the demands for revision of various longer term estimates, even though many of these estimates remain largely satisfactory in our view. In some cases the sheer fact that an NIE was written two years or so ago has robbed it of much of its validity in the eyes of our consumers. In other cases NIEs need updating to take account of significant developments since they were written.

2. We can probably devise some system for revising these estimates which will both permit necessary updating and preserve those elements which in the C/NE view are still valid. Moreover, this system should permit a marked reduction in the amount of time required in the estimates process. The procedure would be along the following lines:

- a. When revision of an existing NIE is called for the Staff will review it to determine whether: (1) an entirely new estimate is desirable; or (2) the present format and substance is still sufficiently valid to justify use of the procedure below.
- b. In the latter case the Staff (instead of drawing up a full new set of Terms of Reference) would submit to the Board an alternative type of T/R containing: (1) the justification for partial revision instead of complete re-drafting; (2) a listing of those substantive points which seem still valid; and (3) a listing of those points which seem to require revision, together with questions bearing on these aspects of the problem. In effect we would be preparing a partial Terms of Reference (which could be done more quickly than a completely new set).

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- c. If the Board approved, these partial T/A's (including the justification therefore would be sent out to the agencies, with the notation that they need not confine themselves to contributing only on those aspects which O/NE felt needed revision, but should also comment on any other aspects which in their view required change or amplification (this is the normal content we attach to any set of T/A's). At the regular T/A session, the agencies could agree to or reject this procedure. If they accepted it, their contributions on this basis could normally be prepared in much less time than required for a full scale effort.
- d. Upon receipt of the modified contributions, the O/NE Staff would prepare a new draft estimate based on the format of the old one but incorporating such new material as desired. If the Staff at this point felt it desirable to recast the whole estimate, they could of course do so. However, normally the format and much of the wording of the old estimate would be retained, thus materially speeding up the drafting process. It would be of great help to already have a "first draft" with which to work. If the Board so desired, the new draft could be submitted to it with the old portions sidelined.
- e. At this point we would revert to the regular estimates process, and to the extent that previously accepted wording was retained the new NIE should prove easier to coordinate. However, both the Board and the agencies could at any time change this previously accepted wording, and the whole paper would receive a new substantive review.
- f. The final estimate as submitted to the IAC and then published would contain no sidelining and would be issued as a completely new NIE, even though much of its working and organization might be identical with that of its predecessor. This continuity might be noted in a footnote such as "This estimate supersedes and is a revision of NIE --- - - - -, which remains generally valid in many respects."

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4. The above process, as we see it, has three virtues: (a) it should in most cases markedly shorten the estimates process, especially in the contribution and drafting stages; (b) it would utilize estimative material which has been previously tested and found adequate and thus emphasize a desirable continuity in the estimates process; and (c) it should greatly simplify the troublesome problem of keeping our estimates up to date. At the same time the process is highly flexible; it permits as much or as little rewriting as seems desirable at any time.

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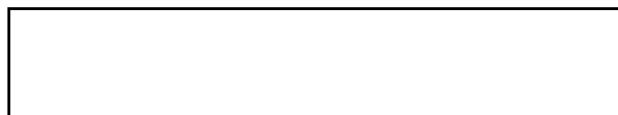
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CENTRAL INTELLIGENCE AGENCY

15 January 1954

MEMORANDUM FOR THE INTELLIGENCE ADVISORY COMMITTEE

Attached for your information is a recapitulation
of all National Intelligence Estimates and Special Estimates published to 31 December 1953.



Deputy Assistant Director
National Estimates

Distribution "A"

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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

5 June 1953

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[REDACTED]
SUBJECT : Liaison with Activities of the DD/P Complex

ENCLOSURE: ONE Memorandum for the DCI, dated 11 May 1953,
Subject: DD/P Participation in the Preparation
of National Intelligence Estimates.

1. The attached memorandum, having been approved by the DCI, constitutes the basis for the procedural relations between the various offices of the DD/P complex and ONE.

2. Pursuant to paragraph 6 a, DD/P has designated as the central contact point within his area, the Chief, Operational Intelligence Staff, Requirements Division (RQI/OIS). Contact may be made with Messrs [REDACTED]
[REDACTED]

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3. While direct contact between ONE staff members and their opposite numbers in the various DD/P Area Divisions is encouraged, it is important that RQI/OIS also be contacted in each case. This will permit RQI/OIS to assist our staff members in getting what they want and avoid unnecessary confusion in the DD/P area.

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D/Asst. Director/Adm.

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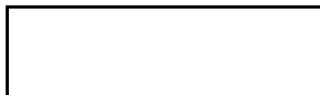
6 August 1953

MEMORANDUM FOR: Board of National Estimates
Estimates Staff

SUBJECT: Estimative Content of OCI Publications

1. Attached is a DD/I directive to AD/NE placing certain responsibilities on ONE for collaborating with OCI in controlling the estimative content of OCI publications.

2. Suggestions (occurring to you during the normal course of reading OCI publications) which would assist the AD/NE in assessing the results of implementing this directive should either be passed to the Chief, Estimates Staff, or mentioned at Morning Meetings.



DAP/A/NE

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31 July 1953

MEMORANDUM FOR THE ASSISTANT DIRECTOR FOR NATIONAL ESTIMATES

SUBJECT: Inter-Office Coordination

1. You are requested to send a representative to attend the planning and review meetings of the OCI Publications Board.

2. The duties of your representative shall be:

- a. To apprise the Publications Board of topics of current interest to the NSC Planning Board, the IAC, and the Board of National Estimates.

Comment: The Publications Board will thus have additional guidance on subjects most useful for forthcoming NSC policy papers and for national intelligence estimates.

- b. To preclude the issuance by CIA of estimates which are inconsistent with other estimates contained in NIE's and SE's still in force.

Comment: The Publications Board may not make estimates at variance with NIE's and SE's still in force.

Whenever the current take indicates that an NIE is no longer valid, the OCI Publications Board may so comment with specific reference to the estimate. It will notify the ONE representative of the need for a revision of the NIE in question.

If the current take indicates that the conclusion of a given NIE though not in fundamental error still would benefit by shading, reference to the NIE should be made and the appropriate shading offered in terms of the most recent reporting.

- c. To apprise the Publications Board of articles under consideration which are so speculative as to trespass reasonable bounds of current intelligence reporting.

Comment: This will assist in maintaining the division of responsibilities between ONE and OCI, and will reserve for the intelligence community the making of estimates on important matters.

- d. To offer constructive criticism on matters under discussion related to estimates generally.

3. For the present, the ONE representative shall not exercise the power of veto in the event of a dispute, but you will periodically report the results of his participation to me.

/s/

ROBERT AMORY, JR.
Deputy Director/Intelligence

cc: AD/CI

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CENTRAL INTELLIGENCE AGENCY

13 May 1954

MEMORANDUM FOR THE INTELLIGENCE ADVISORY COMMITTEE

SUBJECT: Post Mortem of NIE Production for 1953

1. The attached findings, noted by the IAC on 11 May, have been approved by the Director of Central Intelligence for dissemination.
2. Recipients are requested to take appropriate action when reviewing research and collection programs.

[Redacted Signature]

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[Redacted Title]
Acting Assistant Director
National Estimates

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CENTRAL INTELLIGENCE AGENCY

23 July 1954

MEMORANDUM FOR: [REDACTED]

Colonel W. H. Hennig, USA (G-2)
Captain E. E. Wiggin, USN (ONI)
Colonel William S. Boyd, USAF (AFOIN-2B2)
Captain Ray Malpass, USN (JIG)

SUBJECT : National Intelligence Objectives

1. The Board draft on the subject, dated 13 May, recommends that NSCID-4 be revised, that DCID-4/1 and 4/2 be rescinded, and that a new list of priority national intelligence objectives, enlarged in conformity with NSC 162/2, be issued as DCID-4/3.

2. Your representatives met on this subject on 7 June, at which time the Service representatives took the position that NSCID-4 and DCID-4/2 should not be substantially revised. Inasmuch as NSCID-4 (unrevised) specifically requires a DCID-4/1 and the existing DCID-4/1 is agreed to be useless, they undertook to submit drafts indicative of what the "comprehensive" list of objectives required by their concept would be like.

3. The draft revisions of DCID-4/1 submitted by G-2 and ONI are attached hereto. None has been submitted by AFOIN or JIG.

4. In the Board's judgment, the drafts submitted by G-2 and ONI do not meet the requirement of NSCID-4 (unrevised) for a "comprehensive" list, are not consonant with NSC 162/2, are subject to the same objections as the existing DCID-4/1 (see 13 May draft, par. 12), and are not responsive to the direction given by the IAC on 4 August 1953.

5. It is requested that your representative meet with us at 2:00 Wednesday, 28 July, in Room 146 South Building, for further consideration of this problem.

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[REDACTED]
Deputy Assistant Director
National Estimates

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CENTRAL INTELLIGENCE AGENCY

13 May 1954

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MEMORANDUM FOR:

Colonel W. H. Hennig, USA (G-2)
Captain Allan L. Reed, USN (ONI)
Colonel Charles F. Gillis, USAF (AFOTM-2B2)
Captain Ray Malpass, USN (JIG)
Mr. Richard Helms, Chairman, IPC

SUBJECT : National Intelligence Objectives

1. On 4 August 1953, the IAC approved the revision of DCID-4/2 "as a stopgap revision pending review by the Board of National Estimates of this Directive, as well as of the related Directive DCID-4/1, in the light of NSCID-4." The Board was directed to "draft its proposals in consultation with the IAC agencies and with the IPC and thereafter ... submit them to the IAC" (IAC-M-115).

2. The attached draft has been prepared by the Board pursuant to the above directive. It is forwarded for review by the IAC representatives preparatory to IAC action.

3. By copy of this memorandum the Chairman, IPC, is requested to ascertain the views of the IPC and represent that Committee when the IAC representatives meet with the Board.

4. Action

Please have your representative meet with us at 10:00 Monday, 7 June, in Room 146 South Building.

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[Redacted Signature]
Acting Assistant Director
National Estimates

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THE "NET ESTIMATES" PROBLEM

INTRODUCTION. One of the most basic problems faced by intelligence agencies is that of obtaining adequate information of operational matters and of using such information to produce meaningful "net estimates" of the capabilities and intentions of other nations, taking account of our own acts and facts as they must appear to others. In general, U. S. doctrine in the military services has prescribed a sharper separation between intelligence and operations [redacted]

[redacted] although in the practical operation of field staffs this separation is usually mitigated or overcome through working understandings. At the highest levels in the services, however, and even in the State Department, there is a strong tendency either to keep operational matters wholly in "operational" channels, or, if they are conveyed to intelligence offices, to impose restrictions against discussion with outside agencies. This memorandum deals with efforts made by CIA since the fall of 1950 to meet this problem, in three contexts: (1) National Intelligence Estimates handled through regular machinery; (2) specific "net estimates" or "net evaluations" handled by special machinery; (3) the Watch Committee, handling intelligence from the warning standpoint.

1. Operational Information and National Intelligence Estimates.

In the NIE field, a distinction must be made between the furnishing of operational assumptions and the furnishing of specific operational facts, especially concerning our own capabilities. The former has never presented great difficulties, and is now in satisfactory shape. The latter, however, has been troublesome on several occasions, and no satisfactory overall solution has been reached.

In one type of estimate, dealing with the consequences of possible U. S. courses of action, operational assumptions as to U. S. policy are the foundation of the estimate. The only problem is that of assuring that the assumptions have appropriate backing, and this is now usually done through the CIA Adviser to the NSC Planning Board, who may consult the Planning Board as a whole or may deal directly with the departments most concerned. Assumptions are cleared at whatever level is necessary to assure their solidity.

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In the more general type of estimate, dealing with probable developments in a given situation, it is occasionally necessary to have — in addition to the always implicit assumption of no drastic change in overall US policy — specific assumptions on such matters as US aid levels, where the US may affect the situation drastically and immediately. Since the estimate may be designed to provide the basis for policy in these very respects, it is sometimes necessary to make an arbitrary assumption for the future. For example, the currently pending estimate on developments in [redacted] to be completed for submission to the Planning Board when the question of aid levels is discussed, will be based on the assumption that the scope and nature of US programs remains as at present. Thus, the estimate will not purport to be definitive (even within the usual limits of predictability) but will be a benchmark obviously subject to adjustment if a decision is made to alter the scope and nature of the programs In any event, there is no substantial present problem in obtaining such assumptions, which are usually framed in consultation with the CIA Adviser to the NSC Planning Board, or occasionally directly by departments principally concerned.

In contrast with the relative simplicity of the policy-assumptions problem, the problem of obtaining specific own-capability facts — or even assumptions — has been complex and difficult. Early in the history of the present NIE machinery, in April 1951, an ad hoc solution was reached for one case [redacted]

For this estimate, it was obvious that the intelligence community needed to know, generally at least, the dispositions of US forces in the area, since these forces were the principle obstacles [redacted] After some negotiation via the service intelligence heads, appropriate "assumptions" approximating the real facts were provided and used.

This specific case was not then made the basis for a general solution, although the need was discussed at the working level. No specific proposal was submitted by O/NE to the Director, or by him to other agencies.

In two major fields, experience has subsequently highlighted the vacuity of estimates prepared without clear knowledge of our own capabilities. With respect to Soviet Bloc capabilities to attack Western Europe, all estimates through 1950 had been able to proceed on the assumption of virtually no Western opposition. From 1951 onward, this assumption became increasingly less valid, and in the preparation of the estimates there were prolonged discussions leading finally to the use of a fairly meaningless formula that the Soviet Bloc could "launch" a lot of campaigns, including a full-scale offensive in Western Europe. Whether any meaningful answer could have been provided in Washington without duplicating the activities of SHAPE is doubtful, but the fact is that no machinery existed even for getting and incorporating (with proper credit) the current conclusions of SHAPE. As they finally stood the estimates were certainly not helpful to anyone on this point.

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It was the second field, however, that of air defense of the Soviet Union, which seemed to General Smith even more forceful, and the experience in this field, in the spring and summer of 1952, contributed heavily to the campaign launched by him in October 1952, as discussed in the next section. What happened was simple. A pioneer national estimate on Soviet air defense capabilities (SIE-5) ran into prolonged agency disagreements, in which it became more and more clear that any description of the effectiveness of Soviet defenses depended entirely on assumptions as to our capabilities and strategy of attack. Eventually, it was recognized that without clear guidance on these matters the estimate was, in the words of General Smith, merely an inventory of Soviet assets, and it was finally approved by the Intelligence Advisory Committee after most qualitative statements had been cut out, and after the title had been altered to, "The Scale and Nature of the Soviet Air Defense Effort 1952-54."

So far as National Intelligence Estimates are concerned, the situation since then has been as before -- that operational information is not made available to the intelligence community on any systematic basis adequate for its employment in such estimates. With the development of increasingly close and cordial working relationships both in the IAC itself and at the National Estimates Board and Staff levels, it is safe to say that a great deal of such information is in fact fed informally into the estimates. But much operational information is still withheld wholly, and the overall situation is far from satisfactory.

2. Special Machinery for "Net Estimates"

In the summer of 1951, concern over continental defense, within the National Security Council, led to discussion of the need for an authoritative "evaluation" of the net capability of the USSR to injure the United States. Although General Smith made no affirmative effort to have sole primary responsibility for the effort -- and in fact is believed to have expressed his opposition to the assignment -- the Joint Chiefs of Staff were diffident, and the upshot was an NSC directive, of August 30, 1951, that DCI prepare a "summary evaluation" in collaboration with the Joint Chiefs of Staff and with the internal security committees.

The resulting exercise, handled through regular channels and without any central mechanism, was a nightmare. The Intelligence Advisory Committee speedily produced the necessary basic estimate of Soviet gross capabilities (SE-14, 18 October 1951), and the internal security committees furnished adequate contributions. However, the Joint Chiefs of Staff contribution was delayed for several months and when finally produced, in May 1952, proved to be based on the most extreme possible estimates of Soviet capabilities and on several other questionable assumptions,

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of a largely intelligence nature, concerning Soviet attack strategy. General Smith regarded this contribution as unsatisfactory and assigned two members of the Board of National Estimates, [redacted]

[redacted], to the task of producing an integrated evaluation merging all contributions, and modifying the JCS contribution. The ensuing procedure was trying to all concerned. It finally produced a report which General Smith accepted as the best obtainable in the circumstances, and which he forwarded to the NSC on 14 October 1952.

In his accompanying memorandum General Smith noted the defects of the report, and gave three "primary reasons" for them. The third of these was:

- "c. There is at present no machinery to plan, guide, coordinate and produce an appraisal or estimate based on the integration of national intelligence with military, political, and economic operational data dealing with our own capabilities."

General Smith recommended that as an interim measure he be instructed to prepare terms of reference for a more adequate study of the problem, and that the Council:

- "c. Concurrently, instruct the Director of Central Intelligence to examine, in collaboration with officials of other governmental bodies as needed, the adequacy of present machinery, and the character of any new machinery that may be required in order to plan, guide, coordinate, and produce for the National Security Council, upon request, evaluations in the nature of "Commander's Estimates," of the USSR's capabilities and intentions vis-a-vis the United States, based upon the integration of military, political, and economic operational data dealing with United States' capabilities and intentions, and national intelligence."

When General Smith's recommendations were forwarded by the Secretary of Defense to the Joint Chiefs of Staff for comment, the JCS responded by a sharply critical memorandum, dated November 21, 1952. There ensued negotiations, which were limited to the terms of reference and procedure for a new study, but which also gave an opportunity for General Smith to clarify his ideas to the Joint Chiefs of Staff on the overall problem. In the light of the change of administrations then in process it was finally decided to let the overall recommendation (subparagraph c. quoted above) lie over, while proceeding with a new "net evaluation" on the

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basis of an entirely novel procedure. This procedure, embodied in NSC 140, was approved by President Truman on January 19, 1953, and accepted by the Eisenhower Administration without change. It created a Special Evaluation Subcommittee, chaired by a direct Presidential appointee, Lt. General Idwal H. Edwards, USAF (Ret.) — who was in fact nominated by the Joint Chiefs of Staff under a gentlemen's agreement with General Smith — with representatives of the JCS, CIA, and the internal security committees as full members.

The so-called Edwards Committee was given a very short deadline, May 15, 1953, for the preparation of a new net evaluation to serve as the basis for a policy appraisal of the whole field of continental defense. Through the able leadership of General Edwards and with a large share of credit also to [redacted] representing CIA, the deadline was met. The resulting report (NSC 140/1, May 18, 1953) although slightly marred by one misunderstanding with the JCS working level on terms of reference, was a highly valuable effort substantively. Organizationally it seemed to CIA, and, it is believed, to the NSC Secretariat and to others familiar with the earlier failure and with the general problem, to prove that net evaluations or estimates could be done, even on the most complex problems, through a process of constant interchange of intelligence and operational information (under appropriate security safeguards), and that the resulting net papers were a vast improvement on anything that could be done by intelligence and operations working at arms' length from each other.

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With this pioneer demonstration, attention turned for a time back to the more general problem. Largely as a result of CIA urging, the report of the President's Committee on International Information Activities (Jackson Committee), published June 30, 1953, included as its very first recommendation the following:

- "1. The necessary measures should be taken to provide net estimates of political, economic and military capabilities. (Page 3)"

While this recommendation might have provided a lever for reopening the over-all question and resurrecting General Smith's recommendation c. of the preceding October (which was still technically unfinished business in the NSC), two factors combined to make this appear undesirable to the DCI. One was the replacement of most of the Joint Chiefs of Staff in August 1953; the other was the fact that in its policy consideration of continental defense (NSC 159 series) the NSC referred all organization questions to the Office of Defense Mobilization for study (NSC action No. 873 d., August 1953). Since it was at first thought that Office of Defense Mobilization's study would be quickly completed, it seemed

clearly wiser to await it, and to work out agreement with the Joint Chiefs of Staff on a proper procedure in the limited field of continental defense before taking up the over-all question again.

As it worked out, ODM encountered substantial delay both in preparing its recommendations and in getting them cleared by the NSC Planning Board. Only in April 1954 did ODM's paper become available to NSC. At this point the JCS comment on the ODM proposals revealed that the "new Chiefs" were not happy about a net estimates procedure under which ultimate final responsibility was not vested solely in them, and there ensued a round of negotiations between Mr. Dulles and Admiral Radford, which clarified the issue but failed to produce agreement. A split paper was finally submitted to the President and the NSC on June 9, 1954, and the issue was resolved by the President in favor of joint responsibility in the Chairman of the Joint Chiefs of Staff and the Director of Central Intelligence, with other government agencies represented on an appropriate basis. The President designated Admiral Radford as Chairman for the exercise, which is now proceeding with a deadline of 1 November 1954. Rear Admiral Robbins is directing the project on Admiral Radford's behalf, while [] is again representing CIA. Substantively the scope of the study has been broadened to cover specifically all key US installations overseas, thus making possible a far more refined and comprehensive view of Soviet attack strategy than was possible in the Edwards group. Procedurally, it appears at this writing that the project is being handled at the working level with a greater degree of close cooperation even in than the Edwards group.

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During the course of the negotiations on the particular continental defense problem, the over-all issue was discussed, and the Director of Central Intelligence proposed that the device of joint responsibility in DCI and the Chairman of the JCS, the one as intelligence adviser, the other as military adviser, to the President and the NSC, be extended generally to cover problems for which a specific net evaluation, or net estimate, procedure is appropriate. (Such problems, generally speaking, would be those of substantial scope, involving a complicated study of the interplay of US action and Soviet counteraction. In situations where action on both sides would be simple and predictable, the use of joint machinery might not be warranted.) For the present, this suggestion is not being pressed, since the success of the new continental defense project appears to be important in any decision.

3. The Watch Committee and Operational Information

For that part of the intelligence community that concentrates on providing warning of hostile action, knowledge of US or allied operations may be even more vital than for more long-range intelligence efforts. Without such knowledge false warnings may be given, available intelligence may be seriously misconstrued (in either direction), and intelligence effort may not be focused properly at points and areas of tension.

The 1948-54 history of this problem is covered in detail in reports prepared by the Office of Current Intelligence, the CIA component particularly charged with the watch function and with support of the Watch Committee. The essence of the story is that there has been no remotely adequate procedure for keeping the Watch Committee informed of operational matters that could have a bearing on its activities. However, as a result of the work of an ad hoc Committee designated by the IAC in 1953 to review the whole Watch Committee process, the Director of Central Intelligence, in July 1954, submitted to the NSC, and the President approved in principle, a directive that operational information necessary to the Watch Committee's mission be furnished to it, under appropriate security safeguards. At the date of writing, the exact working of this directive remains to be ironed out with the FBI Director. In CIA's judgment the substance of this directive will provide a broad and adequate basis for the proper functioning of the Watch Committee in this respect, though no doubt particular problems of detail and interpretation will arise. The directive provides that in cases where an agency believes that overriding security considerations preclude release of information (conceded to be significant to the Watch Committee), the matter shall be referred initially to DCI, thereafter to the President if DCI and the referring agency are unable to resolve it. Thus, the Director should be in a position to iron out difficulties as they arise.

It is significant that this directive has had the full support of the JCS, in principle and in its general breadth. This JCS attitude may be a significant indication of the possibilities for further improvement in the fields of national estimates and of special net evaluation machinery, discussed in the earlier sections of this memorandum.

Dissemination:

Original - General Clark
 1 - AD/ICE ✓
 1 - DD/I (FNP file)
 1 - WFB

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